

# Golovin Activity Report

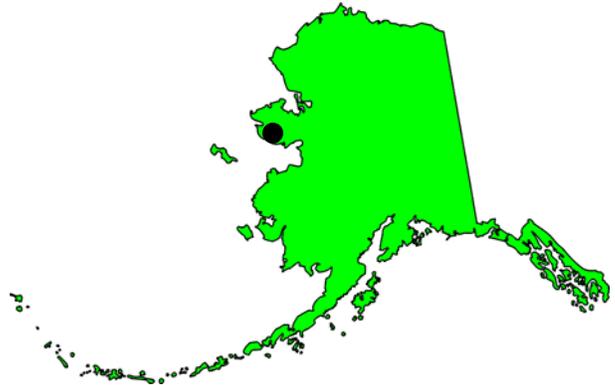
## Community Overview

Lead RUBA Staff: Josie Bahnke, Nome Office

2003 Population: 146

Region: Bering Straits

Local Government: 2<sup>nd</sup> Class City



The City of Golovin is the policy making body for the utility. Currently, the City is responsible for the management of the water supply and storage system, as well as water treatment plant and washeteria. In conjunction with ANTHC, they are in the process of constructing a community-wide piped water and sewer system. Water is pumped from Chinik Creek, treated, and stored in tanks. Approximately 50% of all households are plumbed. Twenty-eight homes currently have water delivered by truck, 27 haul their own water, and 13 collect rainwater during the summer. Ten homes with septic tanks have experienced drain field failures, 25 households use honey buckets and 21 homes use pit privies. A new 1.2 million-gallon water tank has been built, new washeteria is under construction, and a water/sewer project is underway. To date, two homes, new clinic, school, and Church are hooked up to water and sewer.

## RUBA Activity This Reporting Period

As a result of their regular election in October, all seven Council seats were filled with new members that have placed water and sewer as their highest priority. Nome RUBA staff traveled to Golovin on November 15 to provide Newly Elected Officials Training to the City Council, review what work still needed to meet RUBA essential indicators, and assist with the transition of gasoline sales to Golovin Public Utilities. A second trip was made on December 20 to attend an FY 06 budget work session, work with staff on RUBA essential indicators, capital improvement grant budgets, and renewing contracts and lease agreements for 2006. The current ANTHC water distribution and sewer collection project in the lower village was shut down in August 2005 because the City is not meeting special grant conditions required and funders have refused to release remaining funds to the project. ANTHC is tentatively scheduled to renew construction activities if the City satisfies all the essential capacity indicators identified in the RUBA assessment by January 20, 2006. In August, RUBA staff drafted a second workplan that prioritized the deficient essential indicators with timeline to meet ANTHC's January deadline for continued construction. Since that time, the former Mayor and former City Administrator were temporarily hired at different times to address deficient indicators. The FY 06 budget is the only item that has been addressed. Technical Assistance was also provided via telephone, e-mail, and fax with personnel issues, FY 06 budget, FY 04 Certified Financial Statement, PILT resolution, ordinance amendments, and monthly financial reports.

**Capacity Indicators**

**Finances**

**Essential Indicators**

- | Yes                                 | No                                  |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | All revenue and expenses for the utility are listed in the utility budget.                              |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has adopted a balanced realistic budget.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Monthly financial reports are prepared and submitted to the policy making body.                         |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is current in paying all water/wastewater electric bills.                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has on hand a year’s adequate fuel supply or it has financial plan to purchase an adequate. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses.  |

**Sustainable Indicators**

- |                          |                                     |   |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | The utility is receiving revenues (user fees or other sources) sufficient to cover operating expenses and Repair & Replacement (R&R) costs. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | YTD revenues are at a level equal to or above those budgeted.   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | YTD expenditures are at a level equal to or below those budgeted.   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | A monthly manager’s report is prepared.   |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Budget amendments are completed and adopted as necessary.   |

**Finances Comments:**

The FY06 budget was adopted on December 30, 2005 with the assistance and advice of RUBA staff. The City Clerk has been consistent in updating the excel spreadsheets for their revenues and expenditures, but monthly financial statements are still in need of improvement. Since the gasoline fund was moved to Golovin Public Utilities in October, management and accountability of funds has improved. In December, Norton Sound Economic Development Corporation (CDQ Group) distributed \$75,000 check to each of it's member communities. This has made it possible for the City to get current on all outstanding bills and pay for fuel and electricity.

### Accounting Systems

#### Essential Indicators

- | Yes                                 | No                                  |   |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The utility has adopted a collection policy and actively follows it.</b>                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The utility bills customers on a regular basis.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>An accounts receivable system is in place which track customers and reports past due accounts and amounts.</b> |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <b>An accounts payable system is in place.</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The payroll system correctly calculates payroll and keeps records</b>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>A cash receipt system is in place that records incoming money and what it was for.</b>                         |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <b>The Utility has a cash disbursement system that records how money was spent.</b>                               |

#### Sustainable Indicators

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | A chart of accounts is used that identifies categories in a reasonable, usable manner.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | Monthly bank reconciliation's have been completed for all utility accounts.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has a purchasing system that requires approval prior to purchase, and the approval process compares proposed purchases to budgeted amounts. |

### Accounting System Comments:

The Utility Clerk bills water customers once a month. The W/S utility clerk issues notices to delinquent customers when their bill reaches \$200. City staff utilizes both a manual and computerized system (QuickBooks Pro). Based on RUBA staff observations, computer and manual records continue to be used inconsistently. At present, there is no full-time utility clerk and the City Clerk has been updating Quickbooks Pro. It was recommended to the council that a separate NEBS receipt system be ordered for the water/sewer enterprise. Also, the possibility of combining the Water & Sewer Utility Clerk with the Golovin Public Utility Billing Clerk has been discussed. The accounts payable system needs improvement. Despite being able to pay off current liabilities with the use of NSEDC funds, RUBA staff has noticed during site visits that bills often get stacked up and don't get paid in a timely manner resulting in unnecessary interest charges and associated fees.

### Tax Problems

#### Essential Indicators

- | Yes                                 | No                                  | NA |   |
|-------------------------------------|-------------------------------------|----|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            |    | <b>The utility has a system to accurately calculate, track, and report payroll tax liabilities.</b>             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            |    | <b>The utility is current on filing tax reports.</b>  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> |    | <b>The utility is current on making tax deposits.</b>   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> |    | <b>If there are any past tax liabilities, a repayment agreement has been signed and repayments are current.</b> |

### Tax Problems Comments:

City staff has been trained to calculate and report payroll tax liabilities, but they are not making regularly scheduled tax deposits. The City of Golovin needs to prioritize regular tax deposits and filing tax reports to avoid penalties and interest.

**Personnel System**

**Essential Indicators**

Yes No

**The utility has a posted workers compensation insurance policy in effect.**

**Sustainable Indicators**

- The utility has adopted and uses a Personnel Policy, which has been reviewed by an attorney, AML, or DCED for topics and language.
- The utility has adequate written job descriptions for all positions.
- The utility has adopted and follows a written personnel evaluation process that ties the job description to the evaluation.
- The utility has an adequate written hiring process.
- The utility has personnel folders on every employee that contain at least: I-9, Job Application and Letter of Acceptance.
- The utility has a probationary period for new hires that includes orientation, job-training/oversight, and evaluations.
- The utility provides training opportunities to staff as needed and available.

**Personnel System Comments:**

The City of Golovin has workers compensation insurance through AML/JIA for 2006 and is in good standing. The idea of combining the Golovin Power utility and water/sewer clerk position was recommended to the City Council, but was only implemented with the gasoline sales and inventory. A formal hiring and personnel evaluation process was introduced to the previous Council in 2005, but has not been adopted. Nome RUBA staff has prioritized Personnel Management training with the new Council as a priority for Spring 2006.

## Organizational Management

### Essential Indicators

- | Yes                                 | No                                  |  |
|-------------------------------------|-------------------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The entity that owns the utility is known and the entity that will operate the utility is set.                             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The policy making body is active in policy making of the utility.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The policy making body enforces utility policy.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility has an adequately trained manager.   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility has an adequately trained bookkeeper.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has an adequately trained operator(s).   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The utility has adopted the necessary ordinances (or rules and regulations) necessary to give it the authority to operate. |

### Sustainable Indicators

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has adopted an organizational chart that reflects the current structure. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The policy making body meets as required.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility complies with the open meeting act for all meetings.                     |

### Organizational Management Comments:

The City of Golovin is the policy making body for the utility. Presently, the utility does not have a manager. The duties of the manager were being performed by the City Administrator, who was laid-off in August. At present, the City Clerk is doing her best to maintain the water and sewer account along with her other civic duties. An organizational structure change in the future may be necessary to enable the City to run an upgraded water and sewer/electric utility as efficiently as possible. RUBA staff is working with the new Council on adopting a revised ordinance that includes rules and regulations of the new system.

## Operation of Utility

### Essential Indicators

- | Yes                                 | No                       |   |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility operator(s) are actively working towards necessary certification.                     |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | The utility has a preventative maintenance plan developed for the existing sanitation facilities. |

### Sustainable Indicators

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | The manager receives a monthly O&M report from the utility operator and routinely “spot checks” the facilities to see that the maintenance items are being completed. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has a safety manual and holds safety meetings.  |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Utility facilities have not suffered any major problems/outages due to management issues that are still unresolved.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is operating at the level of service that was proposed.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The operator provides status reports to the manager on a routine basis.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility has completed and distributed its <u>Community Confidence Report</u> (CCR).   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility is not on the <u>Significant Non-Compliance</u> (SNC) list.   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility maintains an inventory control list.  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/>            | The utility maintains a critical spare parts list.  |

### **Operation of Utility Comments:**

Wayne Henry, Water Operator is OIT Certified in Water Treatment, Wastewater Treatment, Wastewater Collection and Level 1 Water Treatment. A new secondary operator, Dale Aukongak, was hired last quarter. He has no certifications on file with the State of Alaska. Wayne attended Level I Water Treatment training in Nome at the end of September 2005. He did not qualify for certification, but did receive 3 CEU's for the completion of the course. It is strongly recommended that he and Dale attend Intro. to Small Water systems again in Nome at the end of March. Ultimately, Level 2 certification will be necessary for the new system.

### **RUBA Activities For The Coming Quarter**

RUBA staff will schedule trips in the next quarter to conduct a reassessment of RUBA essential indicators, provide on-site training and assistance to Council and employees. Tasks include working with City Council on ordinance and personnel policy training. Continue work with clerks on improving financial reports, accounts payable system, and other sustainable indicators.